Operation of large and medium companies in the Small Scale Sector

*348. SHRI YASHWANT SINHA : Will the Minister of INDUSTRY be pleased to state :

(a) what are the names of large and medium companies operating in the Small Scale Sector, directly or indirectly ;

(b) which are the Small Scale Units which have been de-registered for being subsidiaries or under the control of large and medium units, during the past ten years ; and

(c) what are the names of the large and medium companies marketing products of small scale companies under their own brand names ?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH) : (a) As per the existing policy, in case large and medium industrial undertakings wish to take up manufacture of items reserved for small scale sector, their application can be considered for grant of an Industrial Licence if they undertake an export obligation of a minimum of 75% of new or additional production of such reserved items on a continuing basis.

Large and medium industrial undertakings engaged in the manufacture of items that are subsequently brought in the list of items reserved for small scale sector are required to obtain Carry-on-Business (COB) licence from the date of reservation. However, the capacity in the COB licence is pegged at the pest production level achieved by such undertakings in any of the three years preceding the date of reservation of the item. When small scale industrial undertakings graduate into medium/large scale undertakings, such undertakings also have to obtain a COB licence to enable the to continue manufacture of reserved items. In such cases also, their capacity is pegged with respect to the dates on which it became incumbent on the undertaking to obtain a COB licence.

Under the above provisions, medium and large industrial undertakings have been granted Industrial/COB licence for operating in the areas reserved for the small scale sector. The names of such industrial undertaking for the period 1989 and 1990 (upto June, 1990) is given at Annexure-I [*See* Appendix CLV, Annexure No. 96)].

(b) Data with regard to registrations/de-registrations is not centrally maintained. However, as per the information furnished by some State/Union Territory Directorate of Industries, the names of the small scale industrial undertakings being subsidiaries or under the control of large and medium industrial undertakings which have been de-registered in the last few years is at Annexure. [*See* Appendix CLV, Annexure No. 97)].

(c) Since there is no permission required under the provisions of the Industries (Development & Regulation) Act, 1951 for marketing products of small scale undertakings by large/medium industrial undertakings no specific data as to which of the large/medium industrial undertaking are marketing the products of the small scale sector under their own brand names is maintained.

Under the rovisions of the Companies Act, 1956, so long as the object clause of the Memorandum of Association of a company permits marketing activity of the products of other company, the company can market the products of others under their own brand names.

In case of the undertakings registered under the MRTP Act, 1969, setting up of an undertaking for taking up trading activity and sale of product manufactured by other companies including small scale undertakings requires approval under section 22 of the Act. The names of

the MRTP companies which have been granted approval under the aforesaid provision for taking up trading activity for products manufactured by other companies including small scale undertakings during 1989 and 1990 (upto June, 1990) are given in Annexure. [*See* Appendix CLV, Annexure No. 98].

Dues of State Electricity Boards towards Coal India Limited

*349. SHRI ATAL BIHARI VAJPAYEE:
SHRI ASHWANI KUMAR:

Will the Minister of ENERGY be pleased to state:

(a) what are the names of the State Electricity Boards which have not yet cleared their dues towards Coal India Limited, in respect of the coal supplied to them;

(b) what is the amount involved in each case and since when;

(c) what are the reasons for the non-payment of dues to Coal India; and

(d) what steps have been taken to recover the dues and the outcome thereof?

THE MINISTER OF ENERGY WITH ADDITIONAL CHARGE OF THE MINISTRY OF CIVIL AVIATION (SHRI ARIF MOHAMMED KHAN): (a) and (b) The names of Electricity Boards etc. with details of dues owed by them towards supply of coal to Coal India Limited are given in Statement. (*See* below).

(c) According to State Electricity Boards, failure on their part in making payment for coal is mainly due to paucity of funds with them.

(d) Following are the main steps being taken to recover outstanding dues from State Electricity Boards:

(i) Regular follow up action is being taken by Coal Companies and Coal India Ltd. to realise outstanding dues from various Electricity Boards/Power Stations.

(ii) State Governments have been requested to persuade/enable State Electricity Boards to clear their outstanding dues and to open Revolving Letters of Credit for future supplies.

(iii) Since arrears have kept on accumulating the Central Govt. have decided that 25% of the overdues as on a pre-determined date may be adjusted against the Central Assistance payable to the State Govts. for their Plan schemes during the current year. It has also been decided that the balance amount will be adjusted in 3 consecutive years in equal instalments.

As a result of the decision of the Central Govt. referred at (iii) above an amount of Rs. 273.36 crores is proposed to be deducted from the Central Assistance payable to the State Govts. concerned during 1990-91 and paid to CIL.